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PORTUGAL

The Portuguese Armed Forces Movement, now apparently under firm leftist control, yesterday announced the steps it will take in response to the unsuccessful coup attempt on Tuesday.

The decisions announced by the Movement include:

--A formal assumption by the Movement of control over Portuguese politics, a decision that probably spells the end of serious negotiations between the military and civilian politicians over the military's share of political power.

--The creation of a new executive body, to be called the council of the revolution, to carry out the Movement's political role.

--A reaffirmation that the election of a constituent assembly will be held on April 12.

--A reshuffle of Prime Minister Goncalves' cabinet so that it can take a "firmer and better defined line in keeping with the program of the Armed Forces Movement."

The Movement has also drawn up lists of military commanders to be replaced and of persons to be arrested in connection with the ill-conceived coup attempt. Our embassy in Lisbon believes that Movement radicals will move to round up former President Spinola's supporters. Spinola and the others who fled to Spain have been dismissed from the service.

A commission has been set up to investigate the coup attempt, and the Movement's campaign to "educate the public" about its goals will be intensified. The

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councils of the individual arms and services, in which moderates had assumed control after the elections last week, have been abolished.

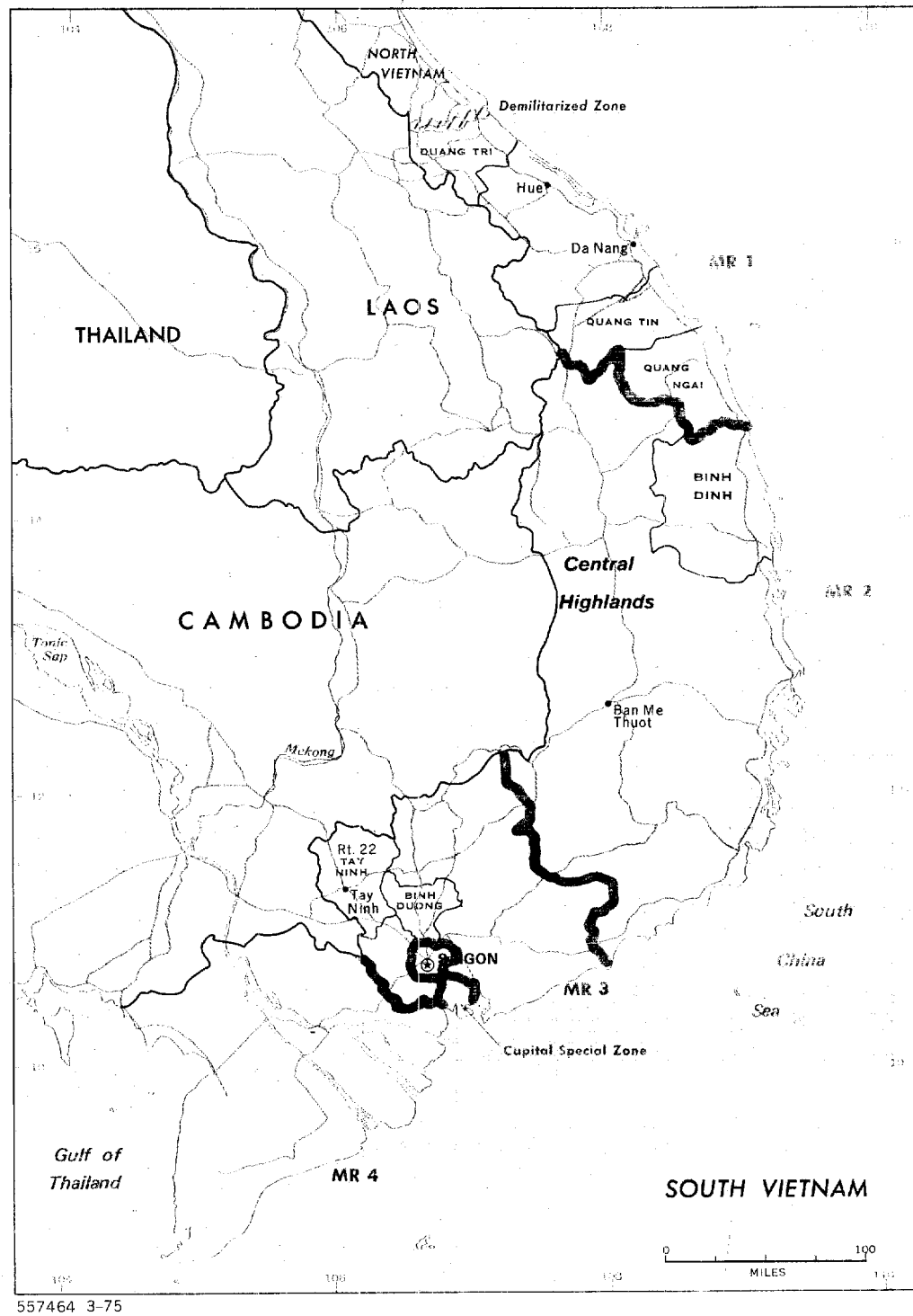
The only consolation to moderates is that the election for the constituent assembly--in which they have hoped to do well--will come off as planned. It will no longer be as significant an event as they had hoped, however, because the Movement has no intention of giving up any political power. The offices of the moderate parties in many places were heavily damaged by roving mobs of extreme leftists on Tuesday night.

A few street demonstrations took place in Lisbon yesterday, including one at the US embassy. The government, however, has repudiated a suggestion from General Otelo de Carvalho, commander of the Lisbon military region and deputy commander of the national security force, that US Ambassador Carlucci go home. Portuguese marines are now stationed outside the embassy.

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SOUTH VIETNAM

The South Vietnamese are moving to counter the communists' spreading military campaign.

Government counterattacks west of Hue have regained most of the ground lost during the past few days. Heavy fighting has developed in coastal Binh Dinh Province as a result of similar government actions.

The defenders at the provincial capital of Ban Me Thuot have been reinforced

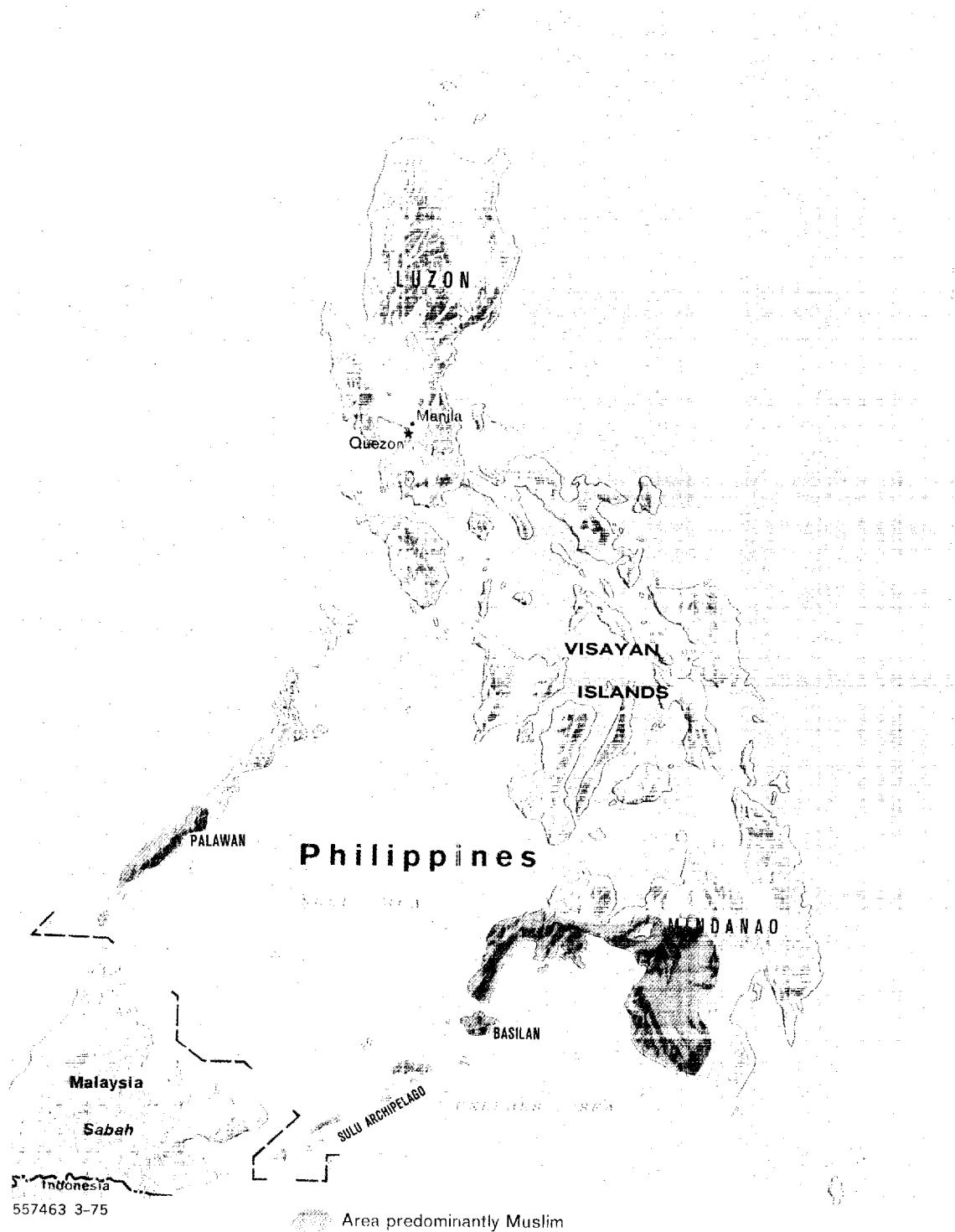
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Saigon has directed the air force to provide "maximum support" to the highland battlefront and has authorized the dispatch of additional forces to Ban Me Thuot to regain control of the town.

The commander of the region surrounding Saigon is positioning his forces to block communist advances in southern Tay Ninh and western Binh Duong provinces. He is also consolidating the units of the division responsible for the defense of Tay Ninh City and is moving other units to reopen Route 22, which links Saigon to Tay Ninh and has been cut for several days.

Faced with mounting and widespread communist military pressure, President Thieu has ordered the Airborne Division to return early next week from the northern provinces to Saigon, presumably for use as a reserve force that could be deployed to critical areas such as the highlands or northwest of Saigon. This move, however, would shift the balance of forces in Military Region 1 in the communists' favor.

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PHILIPPINES

The government is working on proposals for the second round of talks with Muslim rebels, tentatively planned for sometime next month in Jidda, Saudi Arabia.

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At the talks in January, rebel leader Nur Misuari called for creation of an autonomous Muslim "state" to include Mindanao, Basilan, Sulu, and Palawan. The Muslims were to control internal security and administration, but the state was to remain a part of the Philippines. Misuari rejected as insufficient Manila's proposal of greater Muslim authority over local government affairs.

Marcos will certainly not agree to the sweeping autonomy that Misuari has demanded. But if Marcos is even willing to discuss a "federal state," he will be taking an important step toward meeting Muslim political grievances. Details about the geographic delineation, internal administration, and leadership of such a state would probably take a long time to iron out. Moreover, it is not yet clear whether Marcos is seriously offering the Muslims meaningful political autonomy or just devising some dramatic, but relatively empty, negotiating ploy.

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UN-CYPRUS

Greek and Turkish Cypriots agreed to return to the bargaining table after the UN Security Council yesterday adopted, by consensus, a resolution acceptable to both sides.

The resolution, which is primarily the work of EC and nonaligned members of the Security Council, largely reaffirms the provisions of earlier resolutions adopted by the Council and the General Assembly. It requests the withdrawal of foreign troops from Cyprus and the return of refugees to their homes.

The key element in the resolution is a call for the renewal of intercommunal negotiations under the "auspices" of the UN secretary general. This language sidesteps the long impasse over the role to be played by Secretary General Waldheim. In effect, the resolution leaves it to the two Cypriot communities to determine the scope of Waldheim's role.

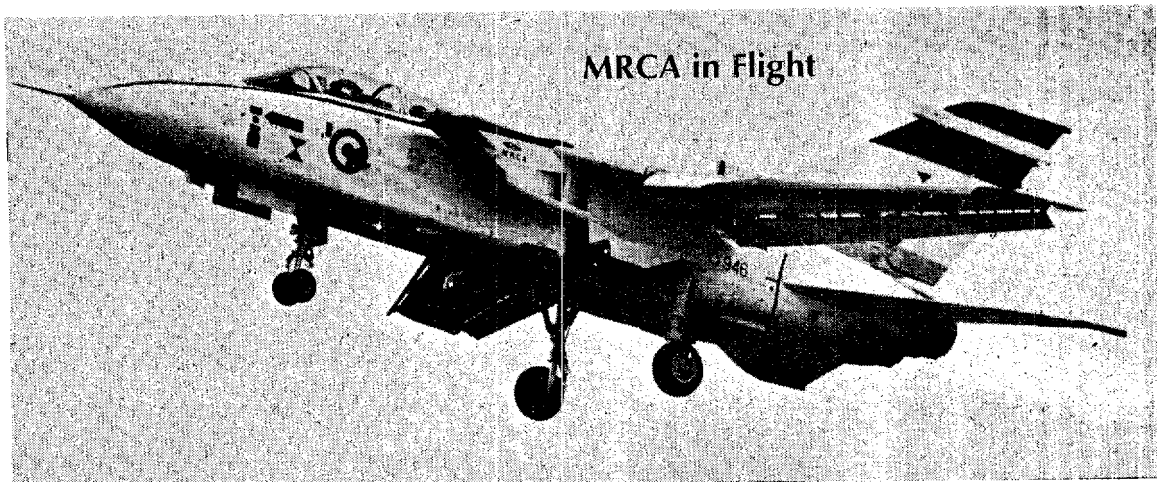
In a separate statement, the Council president suggested a change of venue for the talks and mentioned New York as a meeting place. The Turkish delegation is likely to balk at this, and the negotiations will probably take place in Nicosia or a European capital.

The resolution the Security Council passed provides a face-saving way for the Greek Cypriots to resume the talks they broke off last month following the Turkish side's declaration of a separate Turkish Cypriot state.

The Greek Cypriots are returning to the bargaining table for want of an alternative. They doubtless are hoping that the termination of US military aid to Turkey will eventually make the Turks more willing to give concessions.

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UK - ITALY - WEST GERMANY

According to press reports, the British will purchase all 385 of the multirole combat aircraft (MRCA) they have on order. In making the announcement to the House of Commons, Minister of State for Defense Rodgers indicated that inflation has caused the price to rise to the equivalent of nearly \$9 million a plane.

British plans call for 220 of the MRCAs to be used in interdiction, strike, and reconnaissance roles, while the remaining 165 will be employed as interceptors for air defense of the UK. Last spring, the government had considered dropping its order for the interceptor version because of budgetary difficulties. Because the other two consortium members involved in development of the aircraft--Italy and West Germany--do not have a requirement for an air defense interceptor version of the aircraft, Britain will have to pay the entire cost of its development.

The UK's announcement may encourage West Germany and Italy to proceed with plans to purchase 320 and 100 MRCAs respectively. West Germany has been considering a cutback in the number of MRCAs it will purchase, while Italy has considered opting out of the program altogether.

The MRCA has been troubled with development problems, cost overruns, and severe public criticism almost from the beginning. As of early January, there were still problems with the engine, and the program has slipped another four or five months. Two prototypes are now flying--one in West Germany and the other in the UK. A third aircraft is undergoing ground-testing in the UK and should make its initial flight soon.

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KENYA

Tension persists in Nairobi, following the murder of J. M. Kariuki, a vocal critic of President Kenyatta's regime and a spokesman for the country's have-nots. The police, who yesterday put down a demonstration by university students mourning Kariuki, are anticipating further trouble from students and urban poor and from Kariuki's home area in the north.

Responsibility for Kariuki's death has not yet been established. Many Kenyans suspect that Kariuki was abducted and killed by members of the presidential bodyguard or by other security personnel, perhaps at the instigation of senior government officials belonging to Kenyatta's politically dominant southern clan of the Kikuyu tribe.

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Kariuki's murder may trigger further terrorist incidents similar to those that have gripped Kenya since mid-February. Authorities have not been able to determine who was behind these incidents, which have included several bombings, a train derailment, and the maiming of livestock--a favorite Mau Mau tactic--on farms belonging to Kenyatta and his wife. An organization calling itself the "Poor People's Liberation Organization" has claimed responsibility for several of the bombings.

Sharp denunciations of the murder can be expected from Kariuki's fellow back-benchers in Parliament at today's session. If the session gets out of hand, Kenyatta might dissolve Parliament, a move that would add to the political tensions.

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HAITI

The discovery of a major attempted swindle could have political repercussions that may even affect the presidential palace. Influential Secretary of Commerce and Industry Serge Fourcand has been fired. He faces criminal charges for his alleged involvement in a scheme to sell several million dollars worth of unauthorized Haitian stamps and pocket the proceeds. According to an official investigation, Fourcand and about 15 others used forged documents to contract a US firm to print and market the stamps.

There may be good grounds for the charges against Fourcand, but political factors also have unquestionably played a role in his downfall. Despite his successes in policies such as developing closer ties with Caribbean neighbors and bargaining with US bauxite firms, his aggressive style and his influence with President Duvalier earned him powerful enemies. His successor in the cabinet apparently has ties to the conservative group which includes Duvalier's sister Marie-Denise, one of Fourcand's critics. Now that Fourcand is gone, the conservatives may try to discredit other "progressive" technocrats in the government.

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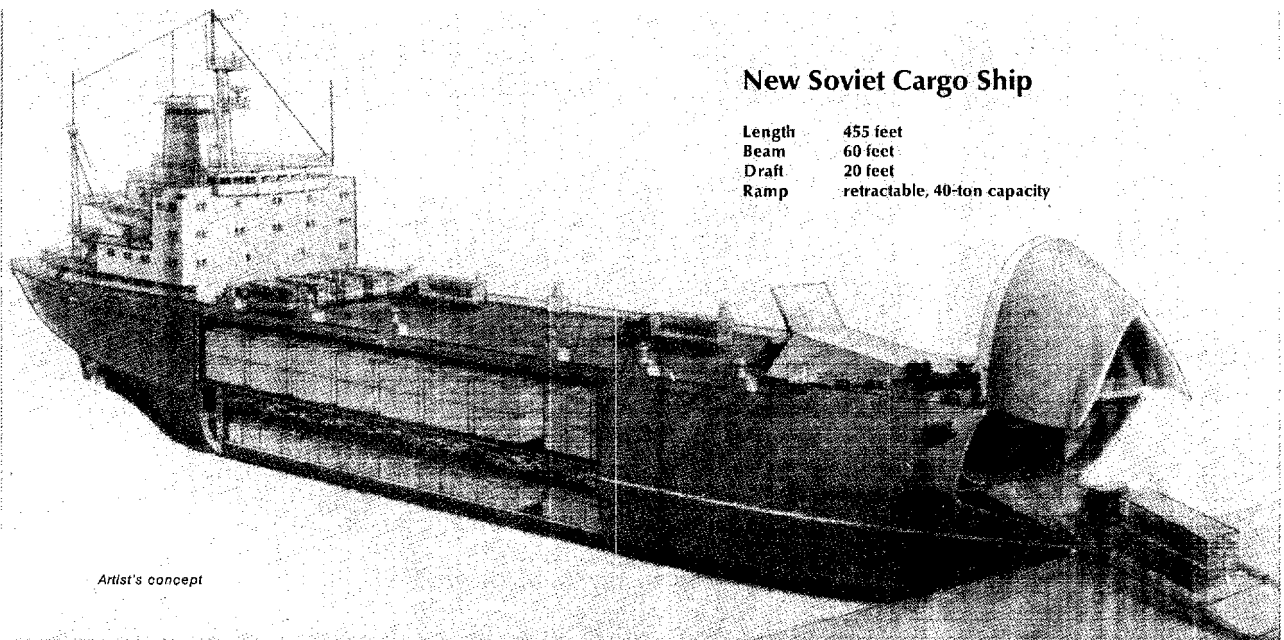
Cambodia: Full airlift operations--including DC-8 flights from Saigon--resumed yesterday, despite continuing communist rocket attacks against Phnom Penh's Pochentong airport. Yesterday, only a few artillery rounds landed near the airfield. The government operation to retake the town of Tuol Leap--six miles northwest of Pochentong--made slight gains yesterday. Command problems still hinder the operation.

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Burma: Burmese army units have retaken most of the towns that were lost during the initial stages of the Burmese Communist Party's dry season offensive in eastern Shan State. The communists, however, still effectively control portions of two main highways which run south and west from the border with China. Insurgent propaganda claims that the communists will initiate another offensive before the onset of the monsoon in May.

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New Soviet Cargo Ship

Length	455 feet
Beam	60 feet
Draft	20 feet
Ramp	retractable, 40-ton capacity

Artist's concept

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USSR: A new roll-on/roll-off Neva-class cargo ship has been introduced into the Soviets' merchant ship inventory. It will be able to support military forces in distant areas as a vehicular transport or cargo craft. This first unit of eight to be built is fitted with a clamshell-type bow door and is capable of moving military cargo to areas with limited port facilities. The ship's three unobstructed cargo decks can accommodate 500 passenger vehicles, or 242 containers, or the equivalent tonnage in military cargo. The ramp can support a Soviet T62 tank, and the heavy-duty ventilation system will permit vehicles to warm up while the ship is under way. Fifty additional roll-on/roll-off cargo ships--similar to the eight Nevas or larger--are to be constructed in the USSR or purchased from other countries.

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